

Public Forum – January 17 at PG&E in San Francisco

The following Q&A section follows the same structure as the presentations.

CSI ADVICE FILING AND NEW HANDBOOK CHANGES

No questions or comments period after this session

CSI PROGRAM OVERVIEW AND STATISTICS

Comment (CalSEIA):

Sustainability

SB1 has 2 goals, one is the MW goal, and the other is the sustainability of the solar industry. This sustainability goal is equal to the MW goal. When you look at the slides, there is a drop in total MW of applications. The industry is not going as good as we think. When there're 208 MW of applications and 17 MW installed, and it takes 3-4 months to install a commercial system, we know how many days left this year and how many systems have to be installed this year [before the Federal Tax Credit expires], we have a problem. We need to talk about what to do with sustainability of the solar industry.

Rebate levels

CalSEIA has been talking internally and externally about rebate levels. We're not going to speak to raising the rebate levels at this point. (1) We'd like the Program Administrators (PAs) and the CPUC to consider increasing the size of the buckets or possibly reimbursing the industry. It cost the industry a lot of money to go through program requirements and changes. (2) We'd like to get date commitment from the CPUC or the PAs on when the bucket size is going to change. We want this to be done fairly quickly. (3) Administrative problem. Processing time and interconnection time is too long. I don't believe the statistics on the presentations are correct from the complaints I've been getting. I want to see in the program updates to list carefully the things the contractors are doing wrong, and things the PAs have challenges with, eg. Mailing the checks to the wrong company etc. It'll be nice to document these in the reports. (4) We need more training, particularly on the interconnection process. All the installers are having trouble with the interconnection process. (5) Online Tool. Since we know that it has bugs, we should fix them and in parallel, do more training on the Online Tool. (6) The CEC will have changes in the eligibility criteria next year; CalSEIA would like to work with the CEC and CPUC on implementing these changes, eg. Changing calculators, changing shading methodologies etc. (7) Program transparency. The database has substantial flaws. It lacks customer data, data isn't entered correctly etc. These should be fixed so that the one online is accurate.

A (PG&E): We have a Program Administrator meeting next week, and we'll be reviewing your list of items

A (CPUC): On the tax credit issue, we expect to see a fall in MW and applications. We know that's coming and it's going to affect the program a lot. On the sustainability of the solar industry, we're interested in looking at the \$/Watt of cost installed. You may notice that it's not really discussed in the staff progress report, except we mentioned that it's too early to tell. With only 20 MW of installed projects, we don't think the data has enough to tell yet. In this half of the year, the CPUC will not be talking about how this program is changing the \$/Watt installed. We can't make such statements until we have a greater amount of data.

[Staff report is posted online and was sent to the listserv]

Q (Spectrum Energy): Two questions: (1) reallocation of drop outs in future steps. We have enough data to take some portion of the expected dropouts and allocate them to the current step before dropping to the next step. You can extend the current step at little or no risk to the budget of the program. Also, you won't have this mysterious pot of money that no one knows what to do with. (2) The Munis' understanding of what they need to do is scattered all over the place. I want the CPUC to comment on what are the SB 1 requirements for small Munis? And can the PA group reach out to the small Munis and offer them assistance?

A (PG&E): Training and outreach is part of PG&E's goal for this year. We're trying to go beyond the bay area and reach out to some rural irrigation districts as well.

A (CCSE): Our closest Muni is IID. They have their own program and it has been running. We're more than happy to work with them.

A (SCE): We are doing about three times more contractor and installer trainings in 2008.

Q (Solar Alliance): There are three sources of data, the EPBB Calculator, the PowerClerk, and the Trigger Tracker. It'll be administratively easier for the applicants and the administrators if those were integrated. Are there plans to integrate these databases and what is the timeframe for doing so?

A (CCSE): There are actually more than three databases. Each PA has to maintain separate internal databases in parallel to make sure all the data in the other databases are captured correctly. All PAs have to at least enter the data twice. We're figuring out our future with PowerClerk. We have a list of things the PAs are putting together before we can eliminate our internal databases and link up with the trigger tracker.

Comment (Solar Alliance): It'll be helpful to see where the MWs are being dropped out from and where they are being added to the steps. Ideally, there is a data file

that lists all of the projects that are within each of the steps (whether they're from SGIP or CSI). In the interim, it'd be nice to have a file that shows where the projects came in, where they drop out and where they are being added to the steps.

A (CCSE): There is an internal portal to see that information. We don't see a problem with making it public.

Comment (Solar Depot): The length of payment time is extremely costly to us. That is the amount of time when the incentive claim form (ICF) is approved to when the check is sent. Please comment on if there is an explanation for that. My other suggestion is when you do these metric reports, you don't just break out residential and non-residential. Non-residential includes a bundle of things, including projects that are 0.5 MW to 1 MW scale. Many of us don't play in the 0.5-1 MW sector. It's unfortunate to overlook smaller projects, eg how many 30 kW projects are going up, how many 90 kW. It is important to track that information for sustainability purposes, to see how the industry grows together. For example, when the incentive levels drop, how that affects everyone a little differently.

A (SCE): We initiate the approval and request a check to be cut through a system. We're working to speed that up. Our goal is 50 days from the date we receive the incentive claim form to the date we cut the check. That gives us about 10-20 days to review the paperwork and inspect the site. The normal process for SCE is to take 20-30 days to initiate the check. We'll see if there is something we can do to speed that up. Our goal is to keep 90% of our applications at 50 days or less.

A (CCSE): On coordination with SDG&E, there have been discussions in the past on giving us \$500,000 a month and we'll just give it out as applications come in. However, there hasn't been enough data on payment stream. Now we have enough data and we'll re-engage SDG&E in that discussion. We're also offering ACH payments so payments can go to the applicant almost immediately into their banks.

Q (CPUC): Why do the PBI payments take longer and what do the asterisks mean?

A (PG&E): We've only done 1 PBI project. As we receive more applications, we'll figure out best practices and the payment time will be shortened.

A (CCSE): We have 5 PBI projects, so the data set is not very big. We had to create the payment process when we receive the first PBI application. Also, after we approve the incentive claim form, we need receive data reports from the PMRS provider. Customers can help us push the PMRS provider in providing us the data reports.

Comment (Verve Solar): It's important to clean up 2007 data and import the ERP data.

A (CPUC): For statewide data consistent, the best source of data is the California Energy Commission (CEC) installed megawatt spreadsheet. It was last updated March 2007.

Q (Rahus Institute): (1) About working with the Munis, we have a group called the California PV Utility Managers Group, an informal working group that has been working over the past few years. That group is starting to adopt PowerClerk with the goal that we'll have a truly statewide database. (2) Of all the non-residential installations, do you keep track of which ones are third-party financed, PPA financed? Is this shareable? (3) Solar Forum in February 1 (Riverside), February 8 (Pleasant Hill). For more information, go to www.californiasolarcenter.org.

A (CCSE): The database tracks whether a system has a third-party owner, but does not track what the relationship looks like. We assume if there's a third-party owner, there's a PPA in place. We track who the host customer is and who the system owner is; if they are different, we assume that it's a PPA.

Comment (SunEdison): Other states draw lessons from California to inform their own solar programs, that makes the database we're using all that much more important. I know the Oregon Department of Energy was in fact looking at the database to set their rebate level based on our cost of systems. The database is an important tool, not just in California, but for the whole country. It is the key to the sustainability of our industry going forward.

Q (CPUC): I'm not so worried about individual records in the database for systems costs; I'm more worried about the database overall.

Comment (SunEdison): That is one aspect of what others are using the database for. One problem of the database is that different administrators are using different criteria to fill in the database. For example, project "suspended" means differently for the administrators.

A (PG&E): We're going through each of these data points in early February to make sure we're consistent among ourselves.

Comment (SPG Solar): Slide 83 "suspended" is very different between the programs administrators. There are 160 projects suspended in the SCE territory. My experience is that many of a majority of ours projects in non-res are suspended in SCE for no reason. Adding additional categories on explaining why projects are suspended, eg. Waiting on installer application or waiting for PA review, can help us figure out what the issues are.

A (SCE): I need to review all of your projects and get back to you directly.

Q (Borrego Solar): (1) The rebate is dropping very quickly, and the amount in each step needs to be re-evaluated. With tax incentives going away, commercial is going

to take a large hit. We can't wait another year to readjust certain rebate levels. (2) There's significant problem with communications between interconnection department and the installer, especially in the PG&E territory.

A (PG&E): Starting in February/March, we'll be adding interconnection trainings. We'll look further into improving communications, scheduling etc.

REALLOCATION OF DOLLARS BETWEEN THE STEPS

Comment (CPUC): Petition to modify can be filed by any party. Once it is submitted in the Distributed Generation rulemaking, there'll be an open comment period for 20 days. Then there'll be a reply comment period for 5-10 days. There'll be at least a 30 day comment cycle. Once the PUC receive all the comments, the PUC will prepare a proposed decision accepting, rejecting or modifying the petition. Once that is prepared, there'll be another comment period before it can get on the Commission calendar. So there're at least two 30-day comment period we have to take, plus a deliberation period for the PUC to come up with a proposed decision. There have been instances when the petition is submitted with expedited requests. That means shortened comment period, but consent is required from all parties.

Comment (CalSEIA): I have a problem with holding up reservations for a while especially with the clock ticking to the end of the year [when tax credits would end].

Q (SunEdison): What does the CPUC think about the idea of using expected drop outs rates in anticipation of drop out?

A (CPUC): How would we maintain the overall budget for the program? If this is pursued, it should be coupled with some type of solution to make sure we don't go over budget at the end. There are concrete MW goals as well as a finite budget. The step down is designed to keep us within that budget.

Q (Rahus Institute): When a project drops out, what happens to the money associated with the project?

A (PG&E): In the end, we'll look at how much money is left and decrease the amount of money we're collecting from our customers who're paying for SB 1.

SENATE BILL 1

Q: How does a SB 1 requirement apply to Irrigation Districts and Municipalities? What are the requirements?

A (CEC): This will take a bit of time to go through the requirements. I'm happy to talk with whoever is interested offline or point you to the guidelines. We're working with the munis, trade associations, California Municipal Utility Association, Northern California Power and the equivalent in southern California. It is important that

smaller munis or irrigation districts talk with these trade associations, but also talk with us and Tor's Utility Managers Group.

Comment (Itron): If we want to address peak demand, we shouldn't be looking at system peak or utility system peak, but the distribution peak. The CalISO peak falls at around 4pm. Distribution feeders peak fall in the early afternoon. If we want to combine energy efficiency with PV to reduce peak demand at the load center, then we need to look closely at the distribution level.

A (CEC): CEC PV calculator collects hourly data and time dependent valuation to address time of use issues. What you are talking about is a little further down the road and I'd be happy to discuss with you offline.

Comment (Solar Alliance): Our experience with the POU so far is that there is a fair amount of inconsistencies, eg. allowing power purchase agreements and the ownership of RECs etc. We look forward to working with the CEC to develop as much consistencies as possible.

Q (Spectrum Energy): Is there a size cap Munis and POUs can impose?

A (CEC): Minimum 1 kW AC to 1 MW.

Comment (Energy Innovations): There are munis capping the system size at 8.5 kW or 5 kW, not offering incentives for any larger systems. There's no requirement in the law on offering any particular system size. They just have to offer an incentive starting at \$2.80/Watt. They have to meet their overall goals in the course of the CSI. Any help you can give us to push these guys along would be very helpful.

A (CEC): SB 1 only specifically spells out that the minimum is 1 kW. We'd be happy to talk more about this.

NON- PV SOLAR

No questions or comments period after this session

CPUC REGULATORY UPDATE

Q (Rahus Institute): (1) Are you looking at solar thermal cooling combined with solar water heating? (2) Are we going to wait 12 months before we can roll out the AB 1470 to the rest of the state?

A (CPUC): (1) The pilot program in San Diego specifically looks at solar water heating for residential or commercial applications, not these hybrid solar space heating, solar space cooling systems (2) The timeline for the rollout of AB 1470 is based on the legislation. It clearly states that no decision can be made until results come out from the pilot program. It is unfair to design a statewide program without

full information. We have program evaluator on board and robust metering. After we analyze these information, we can hold the mandated public hearings to assess cost-effectiveness and rate impacts.

A (CPUC2): The CSI program is funded by electric ratepayers; the AB 1470 is funded by gas ratepayers. That's why there are 2 separate programs.

Q: What are the system sizes contemplated under the feed-in tariffs? Have you established a simple calculator or other methods for estimating the standard feed-in tariffs?

A (CPUC): (1) For the major IOUs, the maximum system size is 1.5 MW. For smaller IOUs, the cap is set at 1 MW. (2) The price depends on many factors, eg. technology, load shape, territory; we're thinking of putting out such a calculator, but the endeavor is not trivial.

Q (Golden Sierra Power): In your pilot program, you have 40 projects completed. You need about 1250 projects completed in the next 12 months. Are there challenges limiting the participation in the pilot program? Are there standards in the legislation that requires a certain number of projects completed in the pilot program?

Comment (CalSEIA): AB 1470 doesn't say the pilot program in San Diego has to be completed before we can have an evaluation for the program. You don't have to wait another year for the program to rollout; you just need some data. I think we are slow in San Diego has a lot to do with the economy and the fires.

Q: Is there is a greenhouse gas adder in the feed-in tariffs?

A (CPUC): The MPR is used in the RPS proceeding. It captures the generation costs and some adder on top of that. There is not another adder that is above the tariff that already exists.

A (CPUC): In the current RPS proceeding, they are thinking of changing the methodology for calculating the MPR such that MPR for future years may include a greenhouse gas adder.

Q: With the value of the green attribute, would it be captured in the greenhouse adder?

A (CPUC): We can refer you to our colleagues in the RPS proceeding.

Comment (Sun Light and Power): Once you announce the solar hot water program, it shuts down the whole industry as everyone waits for the program to come out. We've been in the solar hot water business for over 30 years. We know this

technology works; the mandate really is to test the program. As soon as you can come out with some results, I encourage you to quickly rollout the program.

OPEN COMMENTS AND DISCUSSION FOR PROGRAM ADMINISTRATORS

Comment (CCSE): CCSE is trying to make the program a success. The program design is actually not the problem. I challenge that the program is damaging the market place in San Diego. If a program is needed to stimulate the market place, and it's only getting 54 applications in the first 6 months, then there're some issues to work out in the market place. If you look at the flow of decisions that need to take place (education, installation, incentive process), there're 25-30 nodes; there're only 7-8 places where the program has any influence at all. Many of the impediments we're seeing are in the market place not in the program. One of the issues is that permits are required for the program but they were not always pulled before. There is some discontinuity from city to city because permit requirements are different, eg. Cost, timeframe, inspection. This introduces a lot of uncertainty. We're working with CalSEIA to do sales training, inspector trainings; we're working with the Green Plumbers Association to pull some plumbers into this program.

Comment (CalSEIA): The permit cost in San Diego for PV is \$140 and it is \$340 for a solar water system permit. Solar water systems usually cost less than \$6,000. We hope that CCSE will be successful in lowering the permit cost in San Diego.

Comment (CCSE): We're trying make the permit cost more consistent between municipalities.

Comment (CalSEIA): Utilities are authorized in their energy efficiency programs to offer solar hot water incentives, they could do something now.

Q: What is the additional cost for the installers, eg. Additional engineering, stamped drawings? And how that equates to the incentive (\$1200)?

A (CCSE): Yes, we've done an analysis. There're some debates about what portion of the additional cost the program is responsible for versus what is just good business practice. Some vendors already use SRCC certified equipment and others don't. This represents a change. We're bringing the minimum quality of installation up a little bit by requiring SRCC-certified systems, and for larger commercial systems, a sign-off by a PE. The average incentive of \$1200 goes to paying for the permit that averages \$350. If the permits department and the inspection department are not cooperative, obviously, the cost goes up.

Q: Why San Diego was selected for the pilot program? PG&E used to offer rebates for hot water systems and many of the systems were monitored, is any of the data available?

A (CCSE): We were asked to develop a proposal for a pilot program and it was approved in late 2006. SDG&E also had a program 20 years ago. We have all of the reports and we took them into account when we designed our pilot program.

A (CPUC): The Commission decided in an order in January 2006 to create the solar initiative (after the work in the legislation has stalled). It decided not to take on solar water heating, but would look at a small pilot program in San Diego.

Q: Can someone comment on the PIER R&D program and the CSI RD&D? What do you expect next from PowerClerk?

A (CPUC): The PIER program is a large portfolio of research. There're 78 areas of research in the PIER program with a \$75 million in annual budget. Solar is a small piece of that. SB 1 requires a stand-alone R&D program that would help push forward technologies that would help the CSI program achieve its goals. There have been coordination between the CEC and CPUC to ensure the 2 programs are complementary of each other. There will be stakeholder meetings with the CEC, DOE and the industry to discuss priorities and to develop a research grant-making roadmap to effectively use the \$50 million.

Q: It appears that daylight harvesting is unsupported by the methodologies adopted for eligibility for incentives. If this is the case, would CSI entertain applications for alternative technologies such as daylight harvesting that can demonstrate electrical displacement especially at peak times?

A (CEC): Other non-PV technologies for electricity displacement are covered by SB 1. We would like to start this year to get engaged in these technologies and populate them in the equipment list.

Q (Energy Innovations): Before the online application starts functioning nine months ago, we were promised that we'll have real time access to the application data. Now, not only do we not have that, but looking at the trigger tracker, the most current one is dated December 12 (5 weeks ago).

A (CPUC): We have a January 7 file and it should public. The staff progress report is based on the January 7 spreadsheet.

Q (Energy Innovations): Since we do our business planning around megawatt steps, having real time data is really important. In the interim, can we have an update at least once a week?

A (CCSE): On the trigger tracker, the "megawatts under review" is live data. For your business planning purposes, if you want to know which application would get into which step, the trigger tracker is the best resource for it. The best place to find CSI Program Statistics, the best place is csi.powerclerk.com.

A (CCSE): We have plans in the next weeks to figure out the next pieces that need to go into PowerClerk. For example, getting the ERP and SelfGen data in, interface with the EPBB etc. The PAs are going through each field to make sure we all use the database the same way, then we'll prioritize on which new pieces of the software need to put into place. The items mentioned at this Forum will be on the top of our list.

Q by e-mail (Planet Solar): Is there a ten year warranty on the installation labor? The guidebook seems to imply the warranty is only on the generating equipment, but not the integrity of the installation of the labor.

A (SCE): According to SB 1, the equipment manufacturer has to provide a ten year warranty on the system and the individual components. The installer has to provide a warranty on their labor and workmanship. The only exception is that meters currently only require a 1 year warranty.

Q by e-mail: Regarding, efficiency requirements of buildings over 100,000 sqft, the SB 1 guide (page 25) requires all buildings to be re-commissioned for energy efficiency, but on the next page (page 26), for systems under PBI, building efficiencies are encouraged but not required. Do buildings with PBI not required the same energy efficiency measures?

A (CEC): Yes. The change came after our second workshop. It is to encourage PBI systems. PBI customers, regardless of their size of the building, are not required to do benchmarking or retro-commissioning.

Q by e-mail: Regarding allocating of funds from the 5th Tier. When and how much rebate amounts will be reallocating to make sure this rebate structure will work for PPA financiers?

A (PG&E): We're putting together a petition to modify to address the stranded dollars that happen when dropped out MW move to a lower step.

Q by email: If feed-in tariffs apply to all IOU territories, where can we find more information about feed-in tariffs?

A (CPUC): The resolution for the decision to enact feed-in tariffs is on the agenda for the next commission meeting at the end of January. All the proposed tariffs that the IOUs have submitted are on their websites, under regulatory filings and advice letters (search for AB 1969 feed-in tariffs). The PUC has posted online (under e-file), the resolution, the original decision and the submitted documents. Decision number is D0707027. The Resolution E4137 summarizes the proceeding, tariffs, options and issues.

Q by email: Can you talk about AB 1740 and the TOU structure? Is that a roadblock to the program success?

A (CPUC): Last June, the legislature suspended temporarily the mandatory TOU rates until the next general rate case establishes TOU rates that are friendly to solar customers. To date, we don't have a general rate case with any of the territories. The first rate case that is going to finish is San Diego. After that is finalized, then all solar customers need to go to TOU rates in San Diego territory. In the next forum, there should be a discussion on San Diego rates. We know that the solar industry signed off on the San Diego rate case settlement, so they are happy with the new rates.

A (SunTech): I just want to clarify that the new TOU rates only apply to new customers, that is customers who submit an application after the TOU rates go into effect.

A (CalSEIA): CalSEIA is working on a proposal to keep TOU rates optional until customers have one year of hourly data.

Q by e-mail (Metropolitan Water District of Southern California): The CSI seem to be set towards government entities that can do design-build, sole source or purchase power. Metropolitan has reserved a 1 MW system through SCE. Are there any plans to extend timeline to give government entities that do not have the statutory authority to do design-build nor internal administrative rights to sole source contracts/ We have a hard time in meeting the internal timeline but will meet the 2-year window requirements to have it installed and operational.

A (SCE): Normally, the applicants send us documentation to request for an extension and what the circumstances are. We handle that on a case-by-case basis.

A (CCSE): We handle that on a case-by-base basis because on one hand, we have pressure to not allow people to reserve MW unless they can complete the project; on the other hand, we've pressure to be flexible. On situations like this, we usually bring up the matter with each other PA meetings and discuss whether the case is legitimate.

Comment (Brobeck): Common concern is the complexity of the CSI, eg how do building owners pay for the PV and ever increasing pre-requisites like requiring energy efficiency. Making these pre-requisites make PV even tougher to pencil out. There are other alternatives that can achieve the energy efficiency goals without the sacrificing local distributed PV being deployed, but some of these models are precluded in participating in the CSI. The Energy Commission should expand the eligibility of alternative business model for participating in the CSI and nurture the development of these business models that can monetize the true value of electricity, carbon offsets and other renewable credits.

A (CCSE): If there are alternative business models, there are forums for commenting, laying out ideas and getting involved in the process. We just need to make sure they're part of the proceeding: the petition to modify, comment periods, and draft/final decisions.

Q (Golden Sierra Power): It seems that there are a lot of projects that need extension this year. Is there point where projects get completed, extended or pulled out so we can get the money back to the trigger system?

A (PG&E): Our team is tracking all the non-residential installations to make sure if they're going to drop out, they'll be dropping out at the current step. As soon as projects drop out, the money pretty much immediately goes back into the current step.

A (CCSE)- We allow people 18 months to complete the project. We can't arbitrarily cut that short. We're reliant on the applicant to notify us the progress of these projects. PG&E is proactive and trying to help that process. That's great lesson for all of us to do. However, there are legitimate businesses that take 12 months for them to install.

A (CPUC): The question is how to discourage people get into the program and will eventually dropout? There is a pending advice letter filed in August before there were many dropouts in the program, specifically, it addresses how to discourage phantom applications. The AL was suspended by the Energy Division until we have more data on who's dropping out etc. The AL suggests raising application fees or lowering penalties or exit. By the next forum, we would at least have a timeline on when to bring back the Advice Letter and address the issue.

Q: Does the Advice Letter cover residential drop outs?

A (CPUC): Yes

Q (BEW): I saw a slide about extending the Time Dependent Value from the CEC rebate calculator to the CSI EPPB calculator. There is no transparency on the calculator. What does the unit represent? How is it calculated? Is it necessary to apply in the future to everything?

[Bill Blackburn is not longer in the Forum to answer the question]

A (PG&E): Communicating and educating people on all the pieces behind the new calculator mechanism is important.

A (CCSE): TDV multipliers do not have units; they are weighting factors on hourly basis. They weight the hours based on actual cost of generation, delivery, T&D and averaged statewide. When we fleshed out the SB1 eligibility, we recognized that it's complex, but the CEC sees the value in using a time-dependent value and it is required by the SB 1.

A (CCSE): The PUC hasn't directed us to adopt that portion of the SB 1 Guideline yet. When the time comes, there'll be outreach and training to communicate what that means.

Comment (Suntech, ex-CPUC): The TDV is not developed by the CPUC; it is developed by CEC for the 2004 building codes and standards. On the standards website, you'll see the methodology developed primarily by E3. It's complicated and weights by anticipated congestion on T&D. You should follow-up with Claudia Orlando at the CEC.

Comment (Stakeholder): PG&E had a program 30 years ago on Golden Medallion homes that effectively includes solar hot water. You have to make a decision as soon as possible to include solar hot water into the incentive program. It only takes a small amount of money to make a building not have electric water heaters when the water should be heated by solar. We had to go through PG&E's Savings by Design program to pay us for that.

Comment (Sun Light and Power): I would like to reiterate the CalSEIA position on how urgent it is avoid getting into the next bucket. We strongly encourage and inform any CalSEIA members to cancel any projects that are not solid projects. PAs can adopt a plan to learn from the drop out rate, project it forward, and delay the MW drop to the next step. That'll give us some time while you go through the expedited process at the PUC. I'm sure you'll get support from the industry, like the TOU process.

Comment (Stakeholder): (1) I asked a lot of residential installer about the PMRS requirements and most just fill out the waiver because they are too expensive. I suggest looking at eliminating that requirement; also look at what are the customers getting from the PMRS? The intent of the requirement is that system owners would get feedback so they can maintain the systems at a high-performing rate. (2) Another issue is that we have several definitions of "Watt" and they are different for different states. I suggest we look at normalizing that with the rest of the world.

A (PG&E): (1)CPUC on a decision in July asked the PAs to do a market assessment of metering and monitoring. We're getting ready to issue an RFP for a consultant to look at various metering and performance monitoring issues.

A (CCSE): (2) Regarding the definition of a Watt, the public database does store the STC DC capacity of all the projects that go in. It also stores the PTC AC and the CSI AC that is used to track against the trigger. Programmatically, we rely on the CSI AC for incentive calculations which is the weighted PTC AC by the design factor. As for raw STC capacity, it is tracked on the same database and everyone can get that data.

Comment (Stakeholder): CEC polls all the munis and IOUs on how many MWs are installed in the state and has been maintaining the spreadsheet over the years. Some are reported in DC Watts, so you have unequal units.

Comment (Solar Depot): There are some issues with the online and phone energy audit. Often the installer wants to assist their customers going through the energy audit because it's hard to find on the website and it moves along the sales process.

Now apparently, if the installers have run the audit once on their computer, they can't do it again because it remembers their IP address. You can't even help the customers with their questions. On the phone audit, it's hard to get through; and once you get through, the lines are often dropped a few times. When the audit is completed, you can't get your final assessment by email or fax. They can only send it to you on snail mail which takes 5 days and they also need permission for the installer to receive it. This holds up our sales process in the early time.

A (PG&E): We're looking at updating our online auditing tool and looking at ways to integrate energy efficiency, energy audit, as well as solar and distributed generation pieces. We'll follow up on the issues regarding leaving cookies on your PC, the phone audit, and possibility to fax assessments to customers.

A (SCE): We can download the energy audit application without having the customers to receive it. We have received complaints about the webpage and we're following up on that. We don't offer a phone survey, but we do have the hardcopy survey.

A (PG&E): Regarding the phone audit, you do you need to submit a hardcopy. We get a weekly download from the energy line and we can search that. On your application, if you can just note that in the checklist or in the cover page, that an audit took place on this date, we can pull up the data for you.

Comment (Utility Conservation Services): The application requirements have been a moving target because of all the changes that go on. PowerClerk takes longer to fill out than the Excel copy. We do business in areas that have no cell phone coverage. The customer, if they have an internet connection at all, is a land line. These online tools don't always work. I recommend the EPBB calculator can be downloadable onto our laptops, so is the energy audit.

Q A(Stakeholder): Is there anything preventing you from holding the applications you now have until you have the opportunity to see if you can add to the current pot?

A: We are full as of December 26th. We received 8.7 MW of non-residential on December 26th. We've been holding since then and we've been reaching out to projects that might drop out. We also heard from CalSEIA that we shouldn't be holding up. We're hearing a bit of a mixed message here. We're told by the PUC that we should continue processing applications.

Q (Stakeholder): What happens if you formally go to Step 5? And a few weeks later, you find 20 million? What's the point of making the drop today?

A (CPUC Judge Duda): Should PAs be given the authority to suspend the program and not move down the trigger anymore until the issue of reallocating dollars to the current level is resolved? The trigger was set up in 2006 and modified last year.

Regarding the dollars dropped out from each step, we knew there will be unspent dollars; however, the decision says, that's ratepayers savings. I want to know the extent of this issue. As for how fast the CPUC can act on this, first I need the petition filed, I need good data in it, the extent of the problem and why should the Commission fix it. Then we'll have the statutory requirement of a comments period. Then I'll propose something for the commissioners to vote on. There is no reason we wouldn't be receptive if you tell us why and how to fix this problem. I'm happy to move this along. Even after I write a decision and we get on the agenda, we'll get another comment period, so I wouldn't advise on suspending any program activities.

A (CPUC): PG&E has \$11million, which is a few MW. The overall program has \$540 million excluding dropouts. We're talking about a program change midstream and we cannot advise on not implementing the program rules as they exist. The rules are set a long time ago and our job is to implement them. To suspend the program 2-3 months just for \$11 million to be in step 4 is a big request.

Comment (Stakeholder): This is not just \$11 million; it includes existing projects out there that would drop out because of the step.

A (CPUC): It's a lot to ask to slow down the program for just a few projects to bump up. I always hear that when a territory goes from one step to the next, the market is going to fail. I can't judge that information without more data.

Q (REC solar): About the inspection process, we work very hard to make sure they're perfect. We've heard from the inspectors that they have run across very poor installations. We have not heard anything about the strike action issues and I'm wondering what specifically is happening with that side of the industry? Another issue is that we have well over 100 days on the claims that are waiting for inspections. That hurts cash flow. Are we doing inspections? Are they doing good for the industry? Can we get rewarded for good installations?

A (PG&E): Yes, inspections are occurring. Yes, failures are being handed out. We're following up with face-to-face meetings with people who are having failures. We'll try to shorten the time to get inspection out there.

A (CCSE): I have to remind customers frequently that they are required to be inspected and that it's random. We have our internal issues with the inspections: 1. to get an inspector out on the field at a reasonable time, and 2. once we get out there, is the equipment what it claims to be. About strikes, it is actually something very difficult to get. Once you have failed an inspection and you don't fix it in 60 days, then it cancels the reservation and the money. If you have 2 failures, then you get 100% inspection. We haven't really seen really bad inspections; we've only seen little things. We post the inspection protocol, so people know what we're looking for. Are your inspections not happening? Or did the inspections happen and no progress is made from there?

Comment (REC Solar): We support the inspections. The problems happen at two levels. Once we file the ICF, we'll find out 60 days later that we're been chosen to inspect. It takes 40 days to get an inspection and then another 40-60 days to receive the check.

Comment (CCSE): For an accountability standpoint, we assign a CSA team member to your project. If you have an issue with a specific project, please contact me because I can look into who's responsible for that.

A (PG&E): We've set up meetings to talk to installers about inspections.

A (SCE): We have an internal goal to inspect your site within 50 days we receive your ICF. If the person assigned to your project is not doing the job, then please call our office. You shouldn't be waiting for 60 days.

Comment (Golden Sierra Power): We've been emphasizing on applications but not so much on installation. I encourage you to look at what you can do to stabilize the market. On the installation side, the market doesn't seem to be stable. It doesn't look like things are getting installed from the CSI side.

A (PG&E): I agree. At the end of the day, our executives want to see MW installed, not what's been reserved.

Comment (CCSE): If you have suggestions on how we can speed up the process. Please share.

Comment (stakeholder): I suggest giving a 30-45 day exit period for people in case the market conditions change. Maybe we can give the application fee back if we don't process it within 30-45 days.